

1 KEVIN V. RYAN (CSBN 118321)
2 United States Attorney
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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 OAKLAND DIVISION

11 UNITED STATES OF AMERICA,)

12 Plaintiff,)

13 v.)

14 ALL DISCOUNT LABORATORY SUPPLY,)

15 VLADIMIR KOTLYARENKO,)

16 a.k.a. Vlad,)

17 MARK ALEXANDER KESEL,)

18 DIANE MARIE ENGLE,)

19 WILLIAM ALBERT GIFFORD,)

20 ADRIAN MADRIZ ESCOBAR,)

21 OSIEL MADRIZ ESCOBAR,)

22 JUANITA NAVARRO,)

23 a.k.a. Juani,)

24 MARGARITA ESCOBAR,)

25 DOMINGO LOPEZ,)

26 a.k.a. Dominguello,)

27 ALEJANDRO PARDO CARRANZA,)

28 a.k.a. Guerinche,)

ENRIQUE LOYA VILLALOBOS,)

a.k.a. Pedro,)

Defendants.)

No. CR-00-40242 CW

VIOLATIONS: 21 U.S.C. § 846 -
Conspiracy to Manufacture
Methamphetamine; 21 U.S.C. § 846 -
Conspiracy to Distribute Chemicals,
Equipment, Products or Materials Which May
Be Used to Manufacture a Controlled
Substance; 21 U.S.C. § 843(a)(7) -
Distribution of Chemicals, Equipment,
Products or Materials Which May Be Used to
Manufacture a Controlled Substance; 21
U.S.C. § 843(a)(6) - Possession of Chemicals,
Equipment, Products or Materials Which May
Be Used to Manufacture a Controlled
Substance; 18 U.S.C. § 1956(h) - Conspiracy
to Launder Monetary Instruments; 18 U.S.C.
§ 1956(a)(1)(A)(i) - Laundering of Monetary
Instruments; 21 U.S.C. § 853 - Forfeiture

OAKLAND VENUE

25 SUPERSEDING INDICTMENT

26 The Grand Jury charges:

27 COUNT ONE: (21 U.S.C. § 846 - Conspiracy)

28 1. Beginning at a time unknown to the Grand Jury, but no later than February 2, 1998,

1 and continuing until on or about December 7, 2000, both dates being approximate and inclusive, in
2 the Northern District of California, and elsewhere,

3 ALL DISCOUNT LABORATORY SUPPLY,
4 VLADIMIR KOTLYARENKO, a.k.a. Vlad,
5 MARK ALEXANDER KESEL,
6 DIANE MARIE ENGLE,
7 WILLIAM ALBERT GIFFORD,
8 ADRIAN MADRIZ ESCOBAR,
9 OSIEL MADRIZ ESCOBAR,
10 JUANITA NAVARRO, a.k.a. Juani,
11 MARGARITA ESCOBAR,
12 DOMINGO LOPEZ, a.k.a. Dominguello,
13 ALEJANDRO PARDO CARRANZA, a.k.a. Guerinche,
14 ENRIQUE LOYA VILLALOBOS, a.k.a. Pedro,

15 defendants herein, and others, did knowingly and intentionally conspire to manufacture a Schedule
16 II drug controlled substance in violation of Title 21, United States Code, Section 841(a)(1), to wit:
17 500 grams or more of a mixture or substance containing methamphetamine, all in violation of Title
18 21, United States Code, Section 846.

19 COUNT TWO: (21 U.S.C. § 846 – Conspiracy)

20 2. Beginning at a time unknown to the Grand Jury, but no later than in or about February
21 1998, and continuing until on or about December 7, 2000, both dates being approximate and
22 inclusive, in the Northern District of California, and elsewhere,

23 ALL DISCOUNT LABORATORY SUPPLY,
24 VLADIMIR KOTLYARENKO, a.k.a. Vlad,
25 MARK ALEXANDER KESEL,
26 DIANE MARIE ENGLE, and
27 WILLIAM ALBERT GIFFORD,

28 defendants herein, did knowingly and intentionally conspire to distribute equipment, chemicals,
products and/or materials which may be used to manufacture a controlled substance or listed
chemical, knowing, intending or having reasonable cause to believe that the equipment, chemicals,
products or materials would be used to manufacture a controlled substance, in violation of Title 21,
United States Code, Section 843(a)(7).

3. In furtherance of the conspiracy, and to attain the goals thereof, the defendants
utilized the following means and methods, among others, in the Northern District of California;

a. The defendants distributed gamma-Butyrolactone and sodium hydroxide in

1 combination, despite their knowledge and reasonable cause to believe that these items would be used
2 to manufacture gamma-Hydroxybutyrate (GHB), a controlled substance.

3 b. The defendants distributed chemicals such as Freon, sodium hydroxide, and
4 red phosphorous, and equipment such as 22 liter flasks, to individuals they knew or had reasonable
5 cause to believe would utilize the items to manufacture a controlled substance, to wit,
6 methamphetamine, including but not limited to Adrian Madriz Escobar, Osiel Madriz Escobar,
7 Arnulfo Ochoa Navarro, a.k.a. Fito, Maria Dolores Silva Navarro, a.k.a. Loba, Jose Manuel Navarro,
8 a.k.a. Gordo, Cristobal Vera Sandoval, a.k.a. Cristo, and Manuel Echeverria, Juanita Navarro, a.k.a.
9 Juani, Margarita Escobar, Luis Humberto Lopez, a.k.a. Louis, a.k.a. Louie, Jorge Lopez, a.k.a.
10 George, Gerardo Martin Revuelta, a.k.a. Jerry Revuelta, Jesus Christopher Revuelta, a.k.a. Chris
11 Revuelta, a.k.a. Gustavo Suez, Jose Del Rio, a.k.a. Jose Delrio Cuevas, a.k.a. Jose C. Delrio, a.k.a.
12 Jose C. Del Rio, a.k.a. Jose Delrio Jr, a.k.a. Jose Delrio, Maximiliano Delgado, a.k.a. Maximiliano
13 Delgado Valencia, a.k.a. Maximiliano Delgado, a.k.a. Max Delgado, and Marco Antonio Sermenio,
14 a.k.a. Mark Anthony Sermenio, a.k.a. Marcoantonio Solorio Sermenio, a.k.a. Anthony Solicc, a.k.a.
15 Marco Anthony Sermenio, a.k.a. Mark A. Sermano.

16 c. The defendants sold combinations of chemicals and/or equipment which can
17 be used to manufacture methamphetamine, even though they informed law enforcement that such
18 combination purchases were not allowed by ADLS because the items could be used in combination
19 to manufacture methamphetamine.

20 d. The defendants split purchases of chemicals and/or equipment which can be
21 used to manufacture methamphetamine among one or more sales invoice, to disguise the
22 combination nature of the sales.

23 e. The defendants allowed individuals to record their purchases in other
24 individuals' names, so as to disguise the identity of the actual purchaser;
25 all in violation of Title 21, United States Code, Section 846.

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COUNTS THREE - THIRTY-FOUR:

(21 U.S.C. §843(a)(7) - Distribution of Chemicals, Equipment, Products or Materials Which May Be Used to Manufacture a Controlled Substance)

4. On or about the dates set forth below, in the Northern District of California, and elsewhere,

ALL DISCOUNT LABORATORY SUPPLY,
VLADIMIR KOTLYARENKO, a.k.a. Vlad,
MARK ALEXANDER KESEL,
DIANE MARIE ENGLE,
and WILLIAM ALBERT GIFFORD,

defendants herein, did knowingly and intentionally distribute, equipment, chemicals, products and/or materials which may be used to manufacture a controlled substance or listed chemical, knowing, intending or having reasonable cause to believe that the equipment, chemicals, products or materials would be used to manufacture a controlled substance, as follows:

COUNT	DATE	INVOICE NUMBER	DESCRIPTION OF PURCHASE
3	1/4/99	3520	gamma-Butyrolactone and sodium hydroxide combination sale
4	2/17/99	3773	gamma-Butyrolactone and sodium hydroxide combination sale
5	3/1/99	3880	gamma-Butyrolactone and sodium hydroxide combination sale
6	4/15/99	4319 & 4320	Freon and sodium hydroxide combination sale
7	4/19/99	4349	gamma-Butyrolactone and sodium hydroxide combination sale
8	5/6/99	4511	gamma-Butyrolactone and sodium hydroxide combination sale
9	6/10/99	4791	gamma-Butyrolactone and sodium hydroxide combination sale
10	7/7/99	5018	gamma-Butyrolactone and sodium hydroxide combination sale
11	8/10/99	5289	gamma-Butyrolactone and sodium hydroxide combination sale
12	8/17/99	5342 & 5343	Freon and heating mantle equipment combination sale
13	9/9/99	5509	gamma-Butyrolactone and sodium hydroxide combination sale

COUNT	DATE	INVOICE NUMBER	DESCRIPTION OF PURCHASE
14	10/1/99	5677	gamma-Butyrolactone and sodium hydroxide combination sale
15	10/14/99	5769 & 5770	Freon and sodium hydroxide combination sale
16	10/15/99	5785 & 5786	Freon and sodium hydroxide combination sale
17	10/22/99	5849 & 5850	Freon and sodium hydroxide combination sale
18	11/1/99	5920 & 5921	Freon and sodium hydroxide combination sale
19	11/9/99	5977 & 5978	Freon and sodium hydroxide combination sale
20	11/11/99	5997 & 5998	Freon and sodium hydroxide combination sale
21	11/16/99	6035 & 6036	Freon and sodium hydroxide combination sale
22	11/18/99	6061, 6062 & 6063	Freon and sodium hydroxide combination sale
23	12/3/99	6157	gamma-Butyrolactone and sodium hydroxide combination sale
24	12/14/99	6243	Freon and heating mantle equipment combination sale
25	2/24/00	6662 & 6663	Freon and sodium hydroxide combination sale
26	4/26/00	7015 & 7020	Freon and sodium hydroxide combination sale
27	4/27/00	7023 & 7031	Freon and sodium hydroxide combination sale
28	4/27/00	7024, 7025 & 7026	Freon, heating mantle equipment and acetone combination sale
29	6/26/00	7325 & 7326	Freon and sodium hydroxide combination sale
30	7/13/00	7394 & 7397	Freon and sodium hydroxide combination sale
31	8/31/00	7577 & 7578	Freon and sodium hydroxide combination sale

COUNT	DATE	INVOICE NUMBER	DESCRIPTION OF PURCHASE
32	9/1/00	7581, 7583 & 7584	Freon and sodium hydroxide combination sale
33	9/14/00	7625, 7526 & 7527	Freon and sodium hydroxide combination sale
34	10/3/00	7678 & 7679	Freon and sodium hydroxide combination sale

all in violation of Title 21, United States Code, Section 843(a)(7).

COUNT THIRTY-FIVE: (21 U.S.C. §§843(a)(7) - Distribution of Chemicals, Equipment, Products or Materials Which May Be Used to Manufacture a Controlled Substance)

5. On or about and between July 11, 2000 and July 12, 2000, both dates being approximate and inclusive, in the Northern District of California, and elsewhere,

DOMINGO LOPEZ

defendant herein, did knowingly and intentionally distribute equipment, chemicals, products or materials which may be used to manufacture a controlled substance or listed chemical, knowing, intending or having reasonable cause to believe that the equipment, chemicals, products or materials would be used to manufacture a controlled substance, to wit, methamphetamine, a Schedule II drug controlled substance, in violation of Title 21, United States Code, Section 843(a)(7).

COUNT THIRTY-SIX: (21 U.S.C. §843(a)(7) - Distribution of Chemicals, Equipment, Products or Materials Which May Be Used to Manufacture a Controlled Substance)

6. On or about and between June 8 2000 and August 30, 2000, both dates being approximate and inclusive, in the Northern District of California, and elsewhere,

ALEJANDRO PARDO CARRANZA,
a.k.a. Guerinche,

defendant herein, did knowingly and intentionally distribute equipment, chemicals, products or materials which may be used to manufacture a controlled substance or listed chemical, knowing, intending or having reasonable cause to believe that the equipment, chemicals, products or materials would be used to manufacture a controlled substance, to wit, methamphetamine, a Schedule II drug controlled substance, in violation of Title 21, United States Code, Section 843(a)(7).

1 COUNT THIRTY-SEVEN: (21 U.S.C. §843(a)(7) - Distribution of Chemicals, Equipment,
2 Products or Materials Which May Be Used to Manufacture a
Controlled Substance)

3 7. On or about and between August 30, 2000 and August 31, 2000, both dates being
4 approximate and inclusive, in the Northern District of California, and elsewhere,

5 ENRIQUE LOYA VILLALOBOS,
6 a.k.a. Pedro,

7 defendant herein, did knowingly and intentionally distribute equipment, chemicals, products or
8 materials which may be used to manufacture a controlled substance or listed chemical, knowing,
9 intending or having reasonable cause to believe that the equipment, chemicals, products or materials
10 would be used to manufacture a controlled substance, to wit, methamphetamine, a Schedule II drug
controlled substance, in violation of Title 21, United States Code, Section 843(a)(7).

11 COUNT THIRTY-EIGHT: (21 U.S.C. § 843(a)(6) - Possession of Chemicals, Equipment,
12 Products or Materials Which May Be Used to Manufacture a
Controlled Substance)

13 8. On or about December 7, 2000, in the Northern District of California,

14 JUANITA NAVARRO,
15 a.k.a. Juani,

16 defendant herein, and Jose Manuel Navarro, a.k.a. Gordo, did knowingly and intentionally possess
17 equipment, chemicals, products or materials which may be used to manufacture a controlled
18 substance or listed chemical, knowing, intending or having reasonable cause to believe that the
19 equipment, chemicals, products or materials would be used to manufacture a controlled substance,
20 to wit, methamphetamine, a Schedule II drug controlled substance, in violation of Title 21, United
21 States Code, Section 843(a)(6).

22 COUNT THIRTY-NINE: (18 U.S.C. § 1956(h) - Conspiracy to Launder Monetary Instruments)

23 9. Paragraphs One through Seven are incorporated by reference as if fully set forth
24 herein.

25 10. Between on or about January 1, 1999 and on our about December 7, 2000, both dates
26 being approximate and inclusive, in the Northern District of California, and elsewhere,

27 ALL DISCOUNT LABORATORY SUPPLY,
28 VLADIMIR KOTLYARENKO, a.k.a. Vlad,
MARK ALEXANDER KESEL,
DIANE MARIE ENGLE,

1 and WILLIAM ALBERT GIFFORD,
2 defendants herein, did knowingly and intentionally conspire and agree to engage in monetary
3 transactions designed to promote carrying on of the drug trafficking activities set forth in Counts One
4 through Thirty-Four above, that is, conspiracy to manufacture methamphetamine, in violation of 21
5 U.S.C. § 846, conspiracy to distribute equipment, chemicals, products and/or materials which may
6 be used to manufacture a controlled substance or listed chemical, knowing, intending or having
7 reasonable cause to believe that the equipment, chemicals, products or materials would be used to
8 manufacture a controlled substance, in violation of 21 U.S.C. § 846, and distribution of chemicals,
9 products or materials which may be used to manufacture a controlled substance or listed chemical,
10 knowing, intending or having reasonable cause to believe that the equipment, chemicals, products
11 or materials would be used to manufacture a controlled substance, to wit, methamphetamine, in
12 violation of 21 U.S.C. § 843(a)(7).

13 11. In furtherance of the conspiracy, and to attain the ends thereof, the defendants
14 committed the following overt acts, among others, in the Northern District of California:

15 a. Beginning at a time unknown to the Grand Jury, but no later than January 1,
16 1999, and continuing until December 7, 2000, the defendants established and maintained
17 relationships with Freon suppliers such as ChemNet, Hudson Technologies Company, Mid-Atlantic
18 Chemical, Inc., Poly Systems, Inc., Refrigerant Exchange Corp., and Total Reclaim, Inc.

19 b. During 1999 and 2000, the defendants sold hundreds of thousands of pounds
20 of Freon to individuals the defendants knew or had reasonable cause to believe would use the Freon
21 to manufacture methamphetamine.

22 c. In order to satisfy these orders, during 1999 and 2000 the defendants
23 purchased hundreds of thousands of pounds of Freon from their Freon suppliers.

24 d. During 1999 and 2000, the defendants engaged in interstate monetary
25 transactions in amounts totaling approximately \$3,312,000.00, wherein they utilized the proceeds
26 they received from the sale of Freon to methamphetamine manufacturers to pay for the purchase of
27 additional Freon from their Freon suppliers, and thereby promoted the carrying on of their illegal
28 drug trafficking activities; all in violation of 18 U.S.C. § 1956(h).

COUNTS FORTY - FIFTY-ONE: (18 U.S.C. § 1956 - Laundering of Monetary Instruments)

12. Paragraphs One through Seven and Nine through Eleven are incorporated by reference as if fully set forth herein.

13. On or about the dates set forth below, in the Northern District of California, and elsewhere,

ALL DISCOUNT LABORATORY SUPPLY,
VLADIMIR KOTLYARENKO, a.k.a. Vlad,
MARK ALEXANDER KESEL,
DIANE MARIE ENGLE,
and WILLIAM ALBERT GIFFORD,

defendants herein, did knowingly and intentionally conduct and attempt to conduct the following monetary transactions affecting interstate commerce, knowing that the funds utilized in the transaction represented the proceeds of a specified unlawful activity, with the intent to promote the carrying on of said specified unlawful activity and knowing that the money involved in such financial transactions represented the proceeds of some form of unlawful activity, as follows:

COUNT	VENDOR	DATE	INVOICE NUMBER	FINANCIAL TRANSACTION
40	ChemNet	09/17/99	913091	Wire transfer from ADLS bank account to ChemNet bank account
41	ChemNet	05/22/00	110501	Wire transfer from ADLS bank account to ChemNet bank account
42	Hudson Technologies Company	06/28/00	20176	Check (#6524) from ADLS to Hudson Technologies Company
43	Hudson Technologies Company	07/07/00	20336	Check (#6541) from ADLS to Hudson Technologies Company
44	Mid-Atlantic Chemical, Inc.	03/03/99	9390	Cashiers check from ADLS to Mid-Atlantic Chemical, Inc.
45	Mid-Atlantic Chemical, Inc.	08/28/00	10872	Check (#140) from ADLS to Mid-Atlantic Chemical, Inc.
46	Poly Systems, Inc.	2/2/99	6401	Cashiers check from ADLS to Poly Systems, Inc.
47	Poly Systems, Inc.	06/21/00	6495	Wire transfer from ADLS bank account to Poly Systems, Inc. bank account

COUNT	VENDOR	DATE	INVOICE NUMBER	FINANCIAL TRANSACTION
48	Refrigerant Exchange Corp.	03/16/00	1405	Cashiers check from ADLS to Refrigerant Exchange Corp.
49	Refrigerant Exchange Corp.	05/15/00	1677	Cashiers check from ADLS to Refrigerant Exchange Corp.
50	Total Reclaim, Inc.	08/15/00	10224	Check (#6600) from ADLS to Total Reclaim, Inc.
51	Total Reclaim, Inc.	10/25/00	10547	Check (#6707) from ADLS to Total Reclaim, Inc.

all in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

FORFEITURE ALLEGATION: (21 U.S.C. § 853)

14. The allegations of Counts One through Thirty-Four and Thirty-Nine through Fifty are realleged and incorporated herein.

15. As a result of the offenses alleged in Counts One through Thirty-Four and Thirty-Nine through Fifty above,

ALL DISCOUNT LABORATORY SUPPLY,
VLADIMIR KOTLYARENKO, a.k.a. Vlad,
MARK ALEXANDER KESEL,

defendants herein, shall forfeit to the United States, all property constituting and derived from any proceeds defendants obtained, directly and indirectly, as a result of said violations, in the amount of \$11,748,771, including but not limited to the following:

- a. approximately \$11,562,736 obtained from the sale of Freon from January 1, 1998 through December 7, 2000.
- b. approximately \$119,574 obtained from the sale of sodium hydroxide from January 1, 1998 through December 7, 2000.
- e. approximately \$69,921 obtained from the sale of gamma-Butyrolactone from January 1, 1999 through December 7, 2000.

If, as a result of any act or omission of the defendant, any of said property cannot be located upon the exercise of due diligence; has been transferred or sold to or deposited with, a third person;

1 has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or
2 has been commingled with other property which without difficulty cannot be subdivided; any and
3 all interest defendant has in any other property (not to exceed the value of the above forfeitable
4 property) shall be forfeited to the United States.

5 All in violation of Title 21, United States Code, Section 853(a)(1) and (p).

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7 DATED:

A TRUE BILL.

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9
10 FOREPERSON

11 KEVIN V. RYAN
12 United States Attorney

13 JEFFREY W. COLE
14 Chief, OCDETF Division

15 (Approved as to form: _____)
16 AUSA Beausey

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